

802 CMR: PURCHASING AGENT'S DIVISION  
DEPARTMENT OF PROCUREMENT AND GENERAL SERVICES (DPGS)

802 CMR 3.00: DISPOSITION OF SURPLUS STATE PROPERTY (PERSONAL)

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3.01: Authority

801 CMR 3.00 is promulgated in accordance with M.G.L. c. 7, ss. 22 and 25A.

3.02: Purpose and Scope

The purpose of 802 CMR 3.00 is to insure that the Commonwealth realizes the maximum benefit from surplus personal property by regulating the manner of handling such property, including the disposal of obsolete, excess and unsuitable items, waste materials and other property and the transfer of same to other departments, offices or commissions or storage in state warehouses.

802 CMR 3.00 applies to all state agencies except the Legislature, the National Guard and the Department of Employment Security.

3.03: Definitions

Agency. Self-contained state governmental unit possessing its own budget and spending authority.

Donor Agency Agency reporting surplus property to State Office for Surplus Property.

Memorandum of Surplus and Salvage Property. Listing of surplus property with regulations covering declaration of property as surplus.

Needs File. File of requests for surplus property received from State agency.

Personal Property. All state-owned property, (e.g. furniture, office machines, vehicles) except land and buildings.

Receiving Agency Agency receiving surplus property from either state administered warehouse or a donor agency.

State Office for Surplus State Property. Unit within the Purchasing Agent's Division, headed by the State Surplus Property Officer (SSPO), responsible for identifying, storing-and disposing of surplus property.

Surplus Property. Property exceeding the needs of a state agency because of one or more of the following circumstances: reduction in force, transfer of personnel, change in mission or other reasons not-defined. Property obsolete to the needs of a state agency. Damaged non-repairable property (salvage). Property to be replaced with new property. Historic Artifacts.

3.04: Responsibility of the State Surplus Property Officer

- (1) Ensure agency compliance with regulations covering declaration of property as surplus.
- (2) Make declaration of surplus property for agency in the event of noncompliance.
- (3) Arrange for and control the disposition- of surplus property.
- (4) Review the condition of codes assigned by the agencies.
- (5) Notify agencies of available property through the periodic distribution of any availability circular.
- (6) Waive the requirements of the regulations by a written determination that exceptional circumstances warrant such waiver.
- (7) Maintain a file of PAD 25 forms for a period of time as required by law.

3.05: Responsibility of Agencies

- (1) All agencies must examine their inventories of equipment, supplies and materials and periodically report property that is no longer needed to the State Surplus Property Officer. The disposal of all surplus, salvage, scrap, and worthless property

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must be coordinated through the State Surplus Property Officer. State agencies may not transfer, 'donate, destroy or otherwise dispose of property without following these procedures.

- (2) Agencies may not transfer surplus property from one geographic location (street address) to another without approval of the State Surplus Property Officer.
- (3) Agencies should phone the State Surplus Property Officer for disposition information on items which may be suitable for auction, transfer to the warehouse, or use by other state agencies.
- (4) Items declared as surplus, salvage or scrap under the appropriate condition code will remain the responsibility of the declaring agency until disposal, as authorized by the State Surplus Property Officer, has been completed. Items may not be reclaimed- by the agency without proper notification and approval of the State Surplus Property Officer. If items declared for disposal must be removed from the reported location, the State Surplus Property Officer must be -notified immediately.
- (5) Agencies must advise the State Surplus Property Office of all items which are of no further use to them except worthless property. For specific guidance concerning the disposal of worthless property, see 802 CMR 3.06(4)(d).
- (6) After the above steps have been taken, Form PAD 25 describing the surplus property should be sent to the State Surplus Property Officer. Items should be grouped on the form according to the categories listed below. Each category can be described on a separate form or several categories can be described on a single form with spacing between categories The categories are as follows:
  - (a) items, if known, designated by the SSPO to be transferred to the warehouse.
  - (b) items, if known, designated by the SSPO to be sold at auction.
  - (c) items for transfer within the agency.
  - (d) self-propelled, mechanized equipment and accessories such as autos, trucks, tractors, planes, snowmobiles, motorcycles, boats, all-terrain vehicles and tires.
  - (e) firearms and ammunition.
  - (f) office furniture and equipment.
  - (g) farm machinery and equipment.
  - (h) clothing.
  - (i) building construction materials.
- (7) Agencies must assign condition codes listed on the reverse side of Form PAD to all items listed on the PAD 25.
- (8) Agencies should retain a copy of the PAD 25 until disposal authorization is received from the State Surplus Property Officer.

3.06: Policies Governing Distribution of Surplus Property

- (1) Upon- receipt of Form PAD 25 from an agency seeking to dispose of surplus property, the State Surplus Property. Officer will determine if the equipment meets the needs of any state agency. The State Surplus Property Officer will contact those agencies with a reported need and inform them that if they are interested in the available item(s). they should contact the donor agency and set up an inspection. The State Surplus Property Officer will also determine whether to authorize transfers requested by the needing agency and the donor agency in writing. The agency to receive the property must acknowledge its receipt by letter to the State Surplus Property Officer or designee within 30 days of receipt.
- (2) If there is no request for the item, the State Surplus Property Officer shall list the item in the "Memorandum of Surplus and Salvage Property" sent to all State agencies. Should an agency wish an item, it must arrange transportation and confirm its receipt in writing to the State Surplus Property Officer. Items are transferred on a "first come, first served' basis. Authorized representatives may inspect' and acquire surplus at the location where it is stored. If two or more agencies request an item simultaneously, the SSPO shall determine which agency will receive the item.
- (3) Agencies -desiring items listed in the Memorandum of Surplus and Salvage Property should advise the State Surplus Property Officer by letter.
- (4) Method of Disposal: The State Surplus Property Officer will determine the method of disposal according to the type of property, its value, and its condition. These methods are as follows:
  - (a) Transfer to Another State Agency
    1. The Receiving agency:
      - a) contacts the donor agency to arrange an appointment to inspect the property as to its condition and usefulness. b. requests authorization from the State Surplus Property Officer to transfer the items if they meet the agency's needs. If the transfer is approved, the State Surplus property Officer advises the receiving and donor agencies by letter.
      - b) arranges to transport the property to its location.

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- c) d picks up the property and presents a copy of the authorization to the donor agency and initials the receipt beside each item listed.
    - d) acknowledges receipt by sending a copy to the State Surplus
    - e) Property Officer within 30 calendar days.
    - f) adjusts inventory and tag items within 10 calendar days.
  - 2. Donor agency
    - a) allows receiving agencies to inspect surplus items.
    - b) receives a copy of the transfer authorization.
    - c) letter from the State Surplus Property Officer.
    - d) records information from transfer authorization letter on to
    - e) inventory records.
    - f) has representatives of the receiving agency sign a copy of the transfer authorization letter as proof of transfer within 10 calendar days of the transfer.
    - g) acknowledges the transfer by sending a copy of the signed transfer authorization letter to the State Surplus Property Officer within 30 days.
- (b) Sale of State Property by the State Surplus Property Officer to Non-State Purchasers.
  - 1. Surplus property is offered for transfer or sale to outside purchasers in the event that no state agency has indicated a need.

When the State Surplus Property Officer has determined that there is no further State use for surplus, salvage, or scrap property, the State Surplus Property Officer will decide whether to sell 1) through an auction, 2) through a sealed bid or 3) through a telephone bid.
  - 2. In the event of an auction, auctions will be conducted by the State Surplus Property Officer. Agencies will be required to transport the property to the auction site. After the auction copies of the sales receipts will be sent to the disposing agency by the State Surplus Property Officer. 4. In the event of a sealed bid or telephone bid, agencies should be prepared to show the items to prospective bidders. 5. After award, the State Surplus Property Officer sends two copies of a sales receipt with the name of the purchaser beside each item to be purchased to the disposing agency. A third copy of the sales receipt will be sent to the purchaser upon receipt of payment. .. 6. Agencies should release items to purchasers upon presentation of the sales receipt. The purchaser must present this document before taking possession of the property. The purchaser must sign for each item received. The purchaser should retain the copy when taking possession of the property. This copy is the purchaser's bill of sale.
- (c) Property Disposed of Directly by the Owning Department.
  - 1. The State Surplus Property Officer can authorize an agency to dispose of property that has insufficient value. Formal authorization is given by return of the PAD 25 approved by the State Surplus Property Officer. 2. In the case of usable property, the agency sells the property at the best price obtainable by departmental bid procedures. The agency sends all checks to the State Surplus Property Officer, payable to the Commonwealth of Massachusetts.
  - 2. In the case of unusable property, time agency sells the property at the best obtainable price. The price can be based on the weight of the scrap material. The agency must be paid by certified check, payable to the Commonwealth of Massachusetts, before relinquishing control of the property.
  - 3. All checks must be sent to the State Surplus Property Officer.
- (d) Disposal of Worthless Property
  - 1. Agencies are authorized to destroy property items considered to be worthless.
  - 2. The administrative officer of the agency must appoint, when practicable, a three member property disposal team which should be made up of the Agency Head, the Fiscal Officer and a third party. The team members are required to personally inspect and determine the value of the property. If the property is determined to be worthless, each member must sign a certification to that effect, which certification shall be sent to the SSPO.
  - 3. Prior to destruction, the agency should remove any part of an assembly that can be used or stocked for repair of other articles. (e) Temporary Storage: Property may-be temporarily stored at a location designated by the State Surplus Property Officer for up to 30 days. Stored items automatically become surplus after 30 days and will be made available for transfer or sale. Expense of transporting property to warehouse are paid by donor agency.

REGULATORY AUTHORITY

802 CM R 3. 00: M. G. L. c. 7, ss. 22 a n d 25A.

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